

Entered April 15, 1980
JLR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6864
Order No. R-6320

APPLICATION OF GRACE PETROLEUM
CORPORATION FOR AN UNORTHODOX
GAS WELL LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 9, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of April, 1980, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Grace Petroleum Corporation, seeks approval of an unorthodox gas well location for its Smith Ranch Well No. 11 to be drilled at a point 1980 feet from the North line and 660 feet from the West line of Section 11, Township 20 South, Range 33 East, NMPM, Teas-Pennsylvanian Gas Pool, Lea County, New Mexico.

(3) That the N/2 of said Section 11 is to be dedicated to the well.

(4) That said unorthodox gas well location was chosen as a compromise to avoid drilling in an area suspected of containing commercial deposits of potash.

(5) That no offset operator objected to the proposed unorthodox location.

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(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

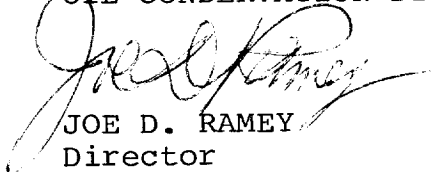
(1) That an unorthodox gas well location for the Pennsylvanian formation is hereby approved for the Grace Petroleum Corporation Smith Ranch Well No. 11 to be drilled at a point 1980 feet from the North line and 660 feet from the West line of Section 11, Township 20 South, Range 33 East, NMPM, Teas-Pennsylvanian Gas Pool, Lea County, New Mexico.

(2) That the N/2 of said Section 11 shall be dedicated to the above-described well.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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